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Honorable Anne K. Quinlan
Acting Secretary
Surface Transportation Board
395 E Street SW
Washington, D.C. 20423

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Re: Finance Docket No. 35181, The Indiana Rail Road Company—Petition for Declaratory Order

Dear Ms. Quinlan:

Duke Energy Indiana, LLC ("Duke Energy Indiana"), a subsidiary of Duke Energy Corporation, is an electric public utility which serves customers in its service territory in the state of Indiana. Duke Energy Indiana purchases approximately 16.8 million tons of coal per year; and approximately eighty percent (80%) of such coal is transported to Duke Energy Indiana power plants by rail.

Duke Energy Indiana has entered into a large coal purchase agreement with Coalsales, LLC, a subsidiary of Peabody Energy, under which Duke Energy Indiana will purchase coal produced at the Bear Run mine beginning in 2009. This agreement is an important component of Duke Energy Indiana's coal supply plans.

We understand that The Indiana Rail Road ("INRD") is prepared to begin construction of a spur track from its main line at Dugger, Indiana to serve the Bear Run mine as soon as the STB has confirmed that this will be an exempt spur track and not a line extension.

It is important to Duke Energy Indiana that the spur track be constructed and put in use as soon as possible so that Duke Energy Indiana may begin to take delivery of the Bear Run coal by rail. Delivery by truck of substantial quantities of coal to Duke Energy Indiana requires putting a very large number of trucks on the public highways. This is impractical and undesirable to Duke Energy Indiana, Peabody, INRD, and the general public.

For these reasons, Duke Energy Indiana asks that the Board act expeditiously and favorably on INRD's pending petition for a declaratory order so that INRD can build the spur track and deliveries of coal can be made from the Bear Run mine by rail without delay.

Yours very truly,

Vincent E. Stroud

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